GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

STARRED QUESTION NO:173
ANSWERED ON:09.03.2015
AVIATION TURBINE FUEL
Pala Shri Vincent H;Reddy Shri Mekapati Rajamohan

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the prices of Aviation Turbine Fuel (ATF) have declined considerably during the last year and the current year;

(b) if so, the details thereof along with its impact on the Civil Aviation Sector in the country;

(c) whether certain domestic airlines have reduced the fuel surcharge in view of the decline in ATF prices;

(d) if so, the details thereof and if not, the action taken or proposed to be taken by the Government to pass on the benefit to air passengers; and

(e) whether the Government has unleashed reforms in the Civil Aviation sector and if so, the details thereof?

Answer

Minister of CIVIL AVIATION (Shri Ashok Gajapathi Raju Pusapati)

(a) to (e) A Statement is laid on the table of the House.

Statement to be laid on the table of the House in respect of Lok Sabha Starred Question No. 173 for 9.3.2015 regarding Aviation Turbine Fuel.

(a) Yes, Madam.

(b) The price of Aviation Turbine Fuel (ATF) varies in the country from state to state due to variation in Value Added Tax (VAT) etc. As an illustration the Retail Selling Price (RSP) of ATF at Delhi during the last one year and current year as provided by Ministry of Petroleum and Natural Gas are as follows:

Date	Price of ATF in Delhi in Rs./KL
January 2014	76,241
February 2014	74,072
March 2014	74,825
April 2014	71,800
May 2014	71,033
June 2014	69,747
July 2014	70,161
August 2014	70,044
September 2014	69,603
October 2014	67,525
November 2014	62,537
December 2014	59,943
January 2015	52,423
February 2015	46,513
March 2015	50,363

ATF constitutes about 40-50% of the operating cost of an airline. With a decrease in ATF price the cost of operation of airline has accordingly come down.

(c) & (d) No such analysis has been carried out by the Ministry. Under the existing regulation airfares are not regulated by the Government and airlines are free to fix reasonable charges/fee subject to compliance with rule 135 of Aircraft Rules 1937.

(e) Reforms in the Civil Aviation Sector are introduced from time to time depending upon the requirements, taking into account market conditions, general economic environment, global best practices and trends etc. Some of the recent reforms introduced are:

Government has brought out a draft Civil Aviation Policy with the objective of developing of Civil Aviation Sector. This includes

development of infrastructure, up gradation of facilities in the airports and up gradation of air navigation services. The policy also has placed focus on E Governance, which would include digitization of filling of systems and provision of online services by the DGCA and other organizations. Government also proposes to encourage the deployment of smaller aircraft and helicopters to improve regional connectivity.